# *National Film Board of Canada*

## 2012–13

## Departmental Performance Report

The Honourable Shelly Glover, P.C., M.P
Minister of Canadian Heritage and Official Languages

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# Minister's Message

The Government of Canada knows that the arts, culture and heritage are essential to the vitality of our society and our economy. As we approach Canada's 150th birthday, in 2017, the Government continues to ensure that everyone can participate in the cultural life of their community and celebrate everything that makes this a remarkable country. The Department of Canadian Heritage and its Portfolio organizations, including the National Film Board of Canada (NFB), play an important role in this respect.

As a public producer and distributor of audiovisual works, the NFB has, over the course of its history, reached out to and connected with successive generations, providing new perspectives, from Canadian points of view, on our country and the world. One of the foremost innovators in digital media, the NFB works closely with artists, filmmakers, producers, and private-sector partners from across the country, developing art forms and technologies that help make Canada an international leader in the audiovisual sector of the digital era.

As a result of demographic and technological changes, Canadians are discovering new ways of making meaning and new ways of recognizing themselves in a great cultural mosaic. The NFB's evolving collection of stories offers vital insights into our country's richness and diversity, in both official languages—a priceless heritage for all Canadians and the rest of the world. A key partner in events of national significance, the NFB brings Canadians together to celebrate their history and culture, and ensures that Canadian creative innovations are given an international platform.

As Minister of Canadian Heritage and Official Languages, I am pleased to present the 2012–2013 Department Performance Report for the NFB. I invite you to look through it to get an overview of what this organization has accomplished over the last year in fulfilling its mandate, supporting the Government's priorities and enriching the lives of Canadians.

The Honourable Shelly Glover

# Commissioner's Message

2012–2013 marks the completion of our 2008–2013 Strategic Plan, which proposed not only a new way of reaching and engaging with Canadians but also a transformation in our methods of creating works. We can now confirm that we have achieved the ambitious goals we set for ourselves. Since 2009, we have generated over 42 million views in Canada and internationally via our NFB.ca Screening Room, mobile apps and partner sites. We have won recognition for advancing the field of digital media, notably by garnering many prestigious awards in Canada and abroad and by pushing the limits of content and form through the use of advanced technologies. We have reaffirmed our commitment to being a creative laboratory for cutting-edge cinema, both documentary and animation, by exploring innovative and exciting modes of storytelling. We were able to implement the Strategic Plan thanks to a revamping of our organizational structure, which optimized and streamlined our work processes. This is the context in which the National Film Board has developed a new strategic orientation, detailed in its 2013–2018 Strategic Plan, that will enable us to go even farther. Renewal of my mandate was confirmed during the year. This will ensure continuity and, in turn, facilitate the implementation of our new strategic plan. With its solid foundation, ideas, vision and ambition, the NFB has everything it needs to successfully face the future.

In 2012–2013, NFB filmmakers, animators and producers delivered 76 works. These artists and artisans— veteran or emerging filmmakers from the various regions and ethnocultural and linguistic communities of Canada—have given us outstanding works. A good example is Sarah Polley's intimate and innovative documentary ***Stories We Tell***, which had its world premiere at the Venice International Film Festival and went on to win the award for best Canadian film presented by the Toronto Film Critics Association and the award for best feature-length documentary at the Canadian Screen Awards.

The NFB did very well in auteur animation on the national and international scene this year. Our productions won over 60 Canadian and foreign awards, confirming yet again the NFB's leading role in this niche. Among the highlights, we should note that ***Paula***, directed by Dominic-Étienne Simard as part of the Cinéaste recherché(e) competition, was chosen as best animated short at the Canadian Screen Awards. The co-production ***Kali the Little Vampire*** by Regina Pessoa also won international honours, including the prestigious Hiroshima Prize at the Hiroshima International Animation Festival. Michèle Lemieux's ***Here and the Great Elsewhere***, made using the rare Alexeïeff-Parker pinscreen technique, won a number of awards, including top prize at the Rencontres internationales du cinéma d'animation de Wissembourg in France.

Our Digital Studios also continue to be recognized for setting the benchmark for creativity, innovation and originality in the use of digital media. Thanks to the NFB's unique creative environment, eight interactive websites, two public installations and three mobile apps were launched in 2012–2013.

Also during the year, the NFB won two Webby Awards, the most prestigious honour for Web productions, bringing the total number of Webbys received in the past five years to six and confirming the excellence of our interactive studios. The multiple award-winning interactive documentary ***Bear 71*** received a Gold Cyber Lion Award at the Cannes Lions International Festival of Creativity. Among the year's outstanding interactive productions we should also note the Web documentary ***Here At Home***, produced in co-operation with the Mental Health Commission of Canada. It was filmed across the country, in Moncton, Montreal, Toronto, Winnipeg and Vancouver, in both official languages, and includes some 40 short films about the world's largest study on mental health and homelessness.

The NFB's works address important social issues and make a significant contribution to discussions and studies on issues affecting Canadians. It was in this spirit that the NFB streamed two films on NFB.ca: Karen Cho's ***Status Quo? The Unfinished Business of Feminism in Canada,*** marking International Women's Day, and Paul Émile d'Entremont's documentary ***Last Chance***, which tells the stories of people seeking asylum in Canada to escape homophobic violence in their homelands, marking International Human Rights Day.

In 2012–2013, we again demonstrated our commitment to enabling Aboriginal filmmakers and creators from all regions of Canada to tell their stories. The co-production ***We Were Children***, directed by Tim Wolochatiuk, is a docu-fiction that takes an unflinching look at the legacy of Canada's Residential School System. The NFB worked closely with the Truth and Reconciliation Commission of Canada to hold community screenings and gatherings across the country.

Our commitment to people in Aboriginal communities and the Far North also takes the form of mentorship programs established with local partners for artists and filmmakers in those regions. One such program is **Digital North 1.0**, a digital storytelling program for Northern creators that we developed in co-operation with the Nunavut Film Development Corporation. This year also saw the launch of the first edition of the **Tremplin Nikanik** competition, in association with the Aboriginal Peoples Television Network. Open to francophone First Nations filmmakers in Quebec, the competition gives aspiring filmmakers hands-on experience in screenwriting and production under the guidance of acclaimed professionals. By stimulating digital and audiovisual creation, the two programs help these communities increase their contribution to filmmaking.

Since its inception, the NFB has played an important role in key moments in the life of the nation by paying tribute in Canada to Canadian history and values. This year, with financial support from Canadian Heritage, the NFB launched ***The Loxleys and the War of 1812***, an interactive app for tablets that commemorates the war's bicentennial. Inspired by the graphic novel published by Renegade Arts Entertainment, the app, available in both official languages and accompanied by a study guide, enables Canadians to learn more about the events that shaped the history of our country.

The centrepiece of our contribution to Queen Elizabeth II's Diamond Jubilee celebrations, the documentary ***The Portrait***, by director Hubert Davis, follows artist Phil Richards as he paints the official portrait of the Queen commissioned by the Government of Canada. The film is featured in a special DVD box set entitled ***Celebrating the Queen's Diamond Jubilee – Collector's Edition***, along with two classic films on the Royal family from the NFB collection, *The Royal*

*Journey* (1951) and *Canada at the Coronation* (1953). Created in partnership with Canada Post and the Department of Canadian Heritage, the box set was distributed to over 20,000 secondary schools, colleges, CEGEPs, and public libraries across Canada and Canadian embassies and consulates abroad.

On the international scene, the NFB and Chinese company Phoenix New Media Limited (FENG) announced the creation of **NFB ZONE**, the first Canadian-branded online channel in the People's Republic of China. This unprecedented partnership, which will permit the airing of almost 130 NFB animated or documentary films, is in line with the NFB's new business plan favouring the creation of strategic partnerships and strengthening our leadership in the new international digital media landscape. On the domestic front, our association with VIA Rail, CBC/Radio-Canada and Historica Canada helps increase our presence in the Canadian public sphere. As part of this partnership, we launched an interactive digital platform that enables train passengers in the Quebec City-Windsor corridor to watch Canadian programming, including numerous NFB titles, for free.

In the education sector, the NFB was very present in classrooms throughout the country in 2012–2013. A provider of quality Canadian audiovisual content for generations, the NFB has collaborated for over 40 years with educators to develop hands-on media workshops for students at all levels. This year, the NFB's Education team gave over 250 workshops, inspiring more than 8,900 students in communities across Canada.

2012–2013 was also a very productive year in terms of our work with minority francophone communities. Our eighth collaboration with the Rendez-vous de la Francophonie was a record-breaking success: 230 screenings in 86 Canadian cities and towns attracted over 13,000 spectators—a telling reflection of the dynamism of the Canadian Francophonie and the public's interest in seeing films in French. We also launched ***Ta parole est en jeu***, a fun and engaging interactive website to help kids between the ages of 13 and 18 discover the richness of the French language across the country. This initiative, developed in co-operation with Université de Moncton and with support from Canadian Heritage, promotes ties between Canada's francophone communities and encourages a sense of pride in speaking French.

Every year, the NFB invests great passion, expertise, dynamism and innovation in building bridges between its works and Canadians. The ever-growing diversity of our productions, genres, subjects, platforms and partnerships enables us to reach and engage audiences in all walks of life. In 2012–2013, we pushed these efforts even further, garnering recognition for the excellence of our programming.

Tom Perlmutter
Government Film Commissioner and Chairperson of the National Film Board of Canada

# Section I: Organizational Overview

## Raison d'être

The National Film Board (NFB) was created by an Act of Parliament in 1939 and is a federal agency within the Canadian Heritage portfolio. The NFB's mandate is to produce and distribute original and innovative audiovisual works that add to our understanding of the issues facing Canadians and raise awareness of Canadian values and viewpoints across the country and around the world. Throughout the decades, the NFB has also played an important role in marking the major changes and events taking place in Canadian society, and has become Canada's best known audiovisual brand.

As a producer and distributor of audiovisual works, the NFB provides a unique perspective on Canada's cultural wealth and diversity. The NFB explores contemporary social issues through point of view documentaries, auteur animation and new media content. Over the years, the NFB has played an important role in marking the major changes and events taking place in Canadian society. The NFB has set the benchmark for audiovisual innovation in cinema.

## Responsibilities

The NFB is a departmental organization established under the *National Film Act*. It appears in Schedule I.1 of the *Financial Administration Act* and reports to Parliament through the Minister of Canadian Heritage and Official Languages.

In accordance with its enabling statute, the NFB is a public producer and distributor of audiovisual works. It seeks to reflect the great variety of Canadian perspectives and stories via audiovisual media and to make these works accessible to Canadians and the world. For more than 70 years, the NFB has documented the history of Canada for Canadian and international audiences.

As a producer, the NFB carries out its responsibilities by constantly investing in new fields of creation and emerging filmmakers. Creativity and social relevance form the basis of its productions. It must seize artistic and technological opportunities that arise for Canadian creators in order to innovate and enrich Canadian expertise in the production of social documentaries, animated and auteur films, and interactive productions.

The NFB fulfills its role as a distributor by ensuring that audiences in Canada and around the world have access to its Canadian content and are able to interact with it on all available media platforms. It carries out this responsibility through the following activities:

- conserving and preserving its heritage film collection
- distributing and marketing its works in consumer markets

- distributing and promoting its works in Canadian and international educational markets and institutional markets
- promoting its works to the national and international audiovisual industry.

## Strategic Outcome and Program Alignment Architecture

In pursuing its mandate, the National Film Board aims to achieve the following strategic outcome:

> Canadian stories and perspectives are reflected in audiovisual media and accessible to Canadians and the world.

The chart below illustrates NFB programs and sub-programs that contribute to the strategic outcome.

Strategic Outcome
Canadian stories and perspectives are reflected in audiovisual media and accessible to Canadians and the world.
Program
Audiovisual Production
Accessibility and Audience Engagement
Internal Services
Sub-program
Conservation and preservation
Consumer access and engagement
Educational and institutional access and engagement
National and international industry outreach

## Organizational Priorities

Overall, the NFB successfully delivered on priorities identified in its *2012–2013 Report on Plans and Priorities*. These were aligned with the objectives of the NFB's 2008–13 Strategic Plan. The chart below summarizes the progress made for each priority.

| Priority | Type[1] | Strategic Outcome and/or program(s) |
|---|---|---|
| **Creative Leadership and Excellence in Programming** | Ongoing | Strategic Outcome<br><br>Audiovisual production |
| **Summary of Progress** | | |
| **Progress made towards this priority**<br>✓ The NFB exercises its leadership as a world reference point for innovation and the creation of documentaries, auteur animation, digital/new media content and other emerging forms for, and across, all platforms.<br>✓ In 2012–13, the NFB completed 76 original productions and co-productions, and eight interactive websites containing 83 films.<br>✓ It launched two installations, and three apps for tablets.<br>✓ This year, nearly half of the works completed, i.e., 45 percent, were created by emerging filmmakers.<br>✓ 50 percent of the works completed this year were created by filmmakers from diverse ethno-cultural, regional, linguistic and Aboriginal communities, and by filmmakers with disabilities.<br>✓ Filmmakers from official-language minority communities (anglophone in Quebec and francophone outside Quebec) made 23 original films, 24 films for the Web and one interactive website.<br>✓ During the year, the NFB renewed its partnership with: the newspaper *Le Devoir* (resulting in the creation of four new photo essays); the Governor General's Awards (for the fifth year); and the Nunavut Film Development Corporation (for the projects Stories from Our Land 2.0 and Digital North 1.0). It also forged new partnerships, with Canadian Heritage for the launch of the app *The Loxleys and the War of 1812* and with the Mental Health Commission of Canada for the *Here At Home / Ici, Chez soi* website. | | |

[1] Type is defined as follows: **previously committed to**—committed to in the first or second fiscal year prior to the subject year of the report; **ongoing**—committed to at least three fiscal years prior to the subject year of the report; and **new**—newly committed to in the reporting year of the RPP or DPR. If another type that is specific to the department is introduced, an explanation of its meaning must be provided.

| Priority | Type | Strategic Outcome and/or program(s) |
|---|---|---|
| **Wide Accessibility and Democratic Engagement** | Ongoing | • Strategic Outcome<br>• Audiovisual Production<br>• Accessibility and Audience Engagement |

**Summary of Progress**

**Progress made towards this priority**

- ✓ The NFB makes its work and the work of its partners readily and widely accessible to Canadian and international audiences on all relevant platforms.
- ✓ In 2012–13, NFB productions generated close to 34.6 million views through multiple platforms, resulting in a nine percent increase from the previous year. The NFB's online presence was expanded through 345 new films, added to NFB.ca in both official languages.
- ✓ The NFB also grew its online offering for the educational market, adding 160 new titles to its CAMPUS portal, in addition to new playlist and educational resources to support school curricula. A total of 12.6 million views were generated in 2012–13 through the NFB's various education channels (DVD sales to schools, teacher workshops, education online subscriptions). Over 48,000 pedagogical materials were downloaded.
- ✓ In 2012–13, the NFB tested new windows for the launch of its films beyond traditional models. A few titles were available for free streaming on NFB.ca for a limited period and launched as part of a programming theme. The results were satisfactory, generating between 8,000 to 30,000 views per film and increasing views on related titles on the playlists.
- ✓ As part of its annual action plan process, the NFB identified the launch of 10 priority projects for fiscal year 2012–13: five films and five interactive productions. This exercise allows for a more effectively structured approach to marketing.

| Priority | Type | Strategic Outcome and/or program(s) |
|---|---|---|
| **Digital Transformation** | Ongoing | • Strategic Outcome<br>• Audiovisual Production<br>• Accessibility and Audience Engagement |
| **Summary of Progress** | | |
| **Progress made towards this priority**<br>✓ By continuing to implement its digital strategy, the NFB ensures that it can deliver on its mandate in the future—in programming, distribution, accessibility, business development and conservation of its audiovisual heritage.<br>✓ The digitization plan continues to be implemented. The NFB produced 1,934 mezzanine files for its audiovisual works. In all, 38 percent of the works of the NFB collection have a mezzanine file,[2] and 30 percent of the collection has a digital source master.<br>✓ A technology partnership was signed with North Plans with the goal of developing a digital asset management system suited to the NFB. The implementation of this system will allow the NFB to adapt to the shift to new media.<br>✓ The NFB's digital shift is generating a substantial volume of data, presenting a continuing challenge for its storage infrastructure. An action plan will be elaborated to meet the NFB's storage needs. | | |

[2] A mezzanine file is a compressed Digital Master used for producing most formats needed as part of the production and distribution deliverables.

| Priority | Type | Strategic Outcome and/or program(s) |
|---|---|---|
| **Organizational Renewal** | Ongoing | • Strategic Outcome<br>• Audiovisual Production<br>• Accessibility and Audience Engagement |

**Summary of Progress**

**Progress made towards this priority**

- ✓ The NFB is a model for the creative organization of the 21st century: a flexible, efficient and effective organization that fosters creative innovation, values its employees, works in a timely and transparent manner with its stakeholders, delivers value to Canadians and takes the initiative in implementing environmentally sustainable practices.
- ✓ The NFB made the recommended improvements following its latest Management Accountability Framework (MAF) round VII evaluation, particularly with respect to integrated risk management.
- ✓ The NFB followed up on one of the key recommendations of the rights management process evaluation performed in 2012 by investing in institutional training on rights management.
- ✓ During 2012–13, the NFB began implementing the senior management skills development strategy in conjunction with the 2011-14 Human Resources Strategic Plan.
- ✓ The Operations Committee continued its activities throughout the year.

| Priority | Type | Strategic Outcome(s) and/or program(s) |
|---|---|---|
| **Firm Financing** | Ongoing | • Strategic Outcome<br>• Audiovisual Production<br>• Accessibility and Audience Engagement |

**Summary of Progress**

**Progress made towards this priority**

- ✓ In order to deliver on its mandate and fulfil its responsibilities, the NFB must be on sound financial footing. Every year, it seeks new revenue-generating sectors, optimizes its partnerships in such areas as marketing and strengthens its conventional distribution activities.
- ✓ The NFB continues to implement its Policy on Internal Control action plan and is monitoring the effectiveness of the controls in place.
- ✓ The NFB's business plan continues to be implemented. New partnerships were signed with Samsung (Smart TV), BlackBerry (BlackBerry Store) and Google (Google Play) to offer NFB titles for download-to-own and video-on-demand service.
- ✓ The NFB continued to implement a better structured and more efficient marketing and distribution strategy. Details are available in this report in the section covering the Wide Accessibility and Democratic Engagement priority.

## Risk Analysis

The NFB faces the following risks on an ongoing basis. Mitigation strategies to reduce its exposure to these priority risks correspond to its organizational action plans. The NFB has thus ensured that it is able to take a concerted approach to managing risks that might negatively impact its ability to achieve its objectives or conduct its operations.

| Risk (RPP 2012–13) | Risk Response Strategy | Link to Program Alignment Architecture | Link to Organizational Priorities[3] |
|---|---|---|---|
| 1. Significant reduction of NFB revenue | • Ongoing implementation of the 2010–11 to 2012–13 Business Plan*[4] | Accessibility and Audience Engagement | Firm Financing/ Wide Accessibility and Democratic Engagement |
| 2. Breach of integrity of the NFB's assets (physical security, e.g., collection stored at a single location) | • NFB conservation plan* to ensure the long-term protection and preservation of its collection by moving one copy of each work to a separate location | Accessibility and Audience Engagement/ Conservation and Preservation | Wide Accessibility and Democratic Engagement |
| 3. Technological obsolescence | • Digitization of the NFB's collection*<br>• Enhanced technology monitoring<br>• Working group on the preservation of productions and interactive websites | Accessibility and Audience Engagement/Conservation and Preservation | Digital Transformation |
| 4. Human resources competition, aging workforce | • Integrated professional development plan*<br>• 2011–14 Human Resources Strategic Plan*[5] | Internal Services | Organizational Renewal |

[3] NFB Strategic Plan 2008–2009 to 2012–2013

[4] Risk reaction strategies marked with an asterisk are mentioned in the 2012–13 RPP.

[5] Including the implementation of the following strategies: integrated workforce planning process; development of next-generation and high-potential employees; transfer of knowledge plans; new talent acquisition.

*Reduction of NFB revenue*
The NFB's Business Plan is the main mitigation measure for managing this risk. This three-year plan has been in force since 2010–11. It has resulted in a moderate yield, as external conditions (i.e., the erosion of traditional business models) continue to affect all audiovisual industry stakeholders. Furthermore, in the last year of the Business Plan's implementation, changes to the conditions of use of audiovisual material in schools limited our ability to generate revenue in that market.

Therefore, the significant reduction of the NFB's budget and revenue continues to be the primary risk factor in its newly revised risk profile[6]. Consequently, one of the 2013–18 Strategic Plan's core objectives is to increase and consolidate the NFB's long-term financial capacity. That implies making an even more concerted effort to explore other means of distribution and sources of revenue as well as new partnerships in Canada and internationally.

*Breach of the integrity of the NFB's assets (physical security of the collection)*
The NFB's collection has long been kept in a single location (Montreal Head Office), which has constituted a major risk of permanently losing this audiovisual heritage, for instance, in the event of a disaster or an accident. The NFB's conservation plan is therefore an essential measure intended to mitigate the adverse effects of such an event. So far, relocating collection copies has been highly successful; the process is described in greater detail on page 30. Even though the NFB must continue to officially publish its business continuity plan, the most recent evaluation of the risk of a breach of the integrity of the NFB's assets concluded that the residual risk was at an acceptable level, taking into account the effectiveness of the measures that are in place and the proper management of material resources.

*Technological obsolescence*
Ongoing technological development has advantages but at the same time poses significant challenges. As the 2012–13 RPP noted, the relatively short lifespan of media and technological formats is one of the main problems associated with tech development. In an operating environment that involves audiovisual production and conservation, this issue can have major repercussions on the NFB's technological resources.

Recently, the evaluation of this risk revealed a low and acceptable residual risk, demonstrating that the NFB adequately manages the risk's probabilities and potential consequences, and that the mitigation measures in force since 2008 effectively decrease exposure to it—particularly the digital strategy and the collection digitization plan.[7] Implementation of these projects is ongoing.

[6] http://onf-nfb.gc.ca/wp-content/uploads/2013/07/NFB-Corporate-Risk-Profile-2012-13.pdf

[7] See results of the collection's digitization in the section on the Accessibility and Audience Engagement / Conservation and Preservation sub-program.

*Human resources competition, aging workforce*

The NFB must deal with major trends in human resources management and ensure that it maintains the expertise of its employees in order to contend with an increasingly competitive environment. Workforce planning and talent management are therefore key components of the 2011–14 Human Resources Strategic Plan. Implementation of this plan has been underway since fall 2011. The NFB determined that it is still too early to measure the actual performance fully at this time, particularly in a context of change management. Pairing the training plan with professional development, as mentioned in the 2012–13 RPP, led to the creation of in-depth leadership training for managers. This skills development strategy began with individualized coaching plans for Management Committee members.

Human resources risk mitigation strategies are currently being implemented and the residual risk is now considered to be acceptable. In terms of lessons learned, it is interesting to note that the corporate risk analysis in 2012 revealed that human resources risks were becoming increasingly significant (i.e., loss of institutional knowledge, inability to recruit or retain qualified personnel, and discrepancy between organizational capacity and workload). This change reflects a better appraisal of the tangible impacts of such risks on the organization's ability to deliver its mandate as well as the increased emphasis that the NFB has placed on its organizational development.

## Summary of Performance

**Financial Resources – Total Departmental ($ thousands)**

| Total Budgetary Expenditures (Main Estimates) 2012–13 | Planned Spending 2012–13 | Total Authorities (available for use) 2012–13 | Actual Spending (authorities used) 2012–13 | Difference (Planned vs. Actual Spending) |
|---|---|---|---|---|
| 66,782 | 66,782 | 70,267 | 68,163 | (1,381) |

**Human Resources (Full-Time Equivalents— FTEs)**

| Planned 2012–13 | Actual 2012–13 | Difference 2012–13 |
|---|---|---|
| 428 | 403 | (25) |

The 2012–13 total authorities include funding for severance pay and parental leave, which is excluded from the main estimates, in the amount of 1.8 million dollars. Of the total available authorities, the NFB is carrying forward $2.1 million to 2013–14, an amount comparable to the previous year ($1,882,000), to implement its new 2013–18 Strategic Plan and cover the benefits on payments serving as severance pay that will be paid out in 2013–14. The carry-forward will also be used to create a reserve of funds required for the NFB headquarters relocation project as well as to carry out a study on the threat and risks associated with such a move.

| ($ thousands) | |
|---|---|
| **Planned Spending** | **66,782** |
| Supplementary Estimates Appropriation | 3,653 |
| **Total Authorities** | **70,435** |
| Frozen Allotment | (110) |
| Lapsed funds | (58) |
| 2012-2013 Carry Forward | (2,104) |
| **Actual Spending** | **68,163** |

**Performance Summary Table** for Strategic Outcome and Programs ($ thousands)

Strategic Outcome 1: Canadian stories and perspectives are reflected in audiovisual media and accessible to Canadians and the world.

| Program | Total Budgetary Expenditures (Main Estimates 2012–13) | Planned Spending | | | Total Authorities (available for use) 2012–13 | Actual Spending (authorities used) | | | Alignment to Government of Canada Outcomes |
|---|---|---|---|---|---|---|---|---|---|
| | | 2012–13 | 2013–14 | 2014–15 | | 2012–13[8] | 2011–12 | 2010–11 | |
| Audiovisual Production | 40,755 | 40,755 | 37,910 | 37,619 | 42,521 | 41,309 | 42,370 | 44,893 | Social Affairs: A Vibrant Canadian Heritage and Culture[9] |
| Accessibility and Audience Engagement | 17,779 | 17,779 | 17,131 | 13,522 | 19,152 | 19,209 | 16,340 | 14,507 | |
| **Strategic Outcome 1 Sub-Total** | 58,534 | 58,534 | 55,041 | 51,141 | 61,673 | 60,518 | 58,710 | 59,400 | |

The difference between planned and actual spending stems primarily from funding severance pay and parental leave, which is excluded from the main estimates, having been authorized by TBS at the time of payment.

The drop in planned spending in 2013–14 and 2014–15 is due primarily to the cost-saving measures of the Government of Canada's 2012 Economic Action Plan.

Audiovisual Production program spending fluctuates and is especially influenced by the signing of partnerships for the production of films. In 2011–12, the NFB entered into major partnerships with the Mental Health Commission for the Web documentary *Here At Home*, and with the Francophone Assembly of Ontario for the Tondoc.ca capsules. Some of the anticipated contracts for 2012–13 did not materialize.

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[8] In order to align with departmental authorities by Program, as presented in Vol. II of the Public Accounts, services provided without charge amounts for employer's contribution to employee insurance plans, such as the Public Service Health Care Plan and the Public Service Dental Plan provided by the Treasury Board of Canada Secretariat, accommodations provided by Public Works and Government Services Canada, Workers' compensation provided by Human Resources and Skills Development Canada and legal services provided by the Department of Justice are not included in this figure. This information is presented in Departmental Financial Statements only.

[9] http://www.tbs-sct.gc.ca/ppg-cpr/frame-cadre-eng.aspx

The Accessibility and Audience Engagement program is experiencing considerable growth in the education sector as a result of CAMPUS, which is an extensive, valued-added bilingual education portal, rather than a mere collection of films for classroom use. The NFB worked with educators to target the tools and features needed to make CAMPUS an indispensable service for this market. The development and digital apps sector is also experiencing significant growth owing to successful consecutive launches of multi-platform digital apps.

**Performance Summary Table for Internal Services ($ thousands)**

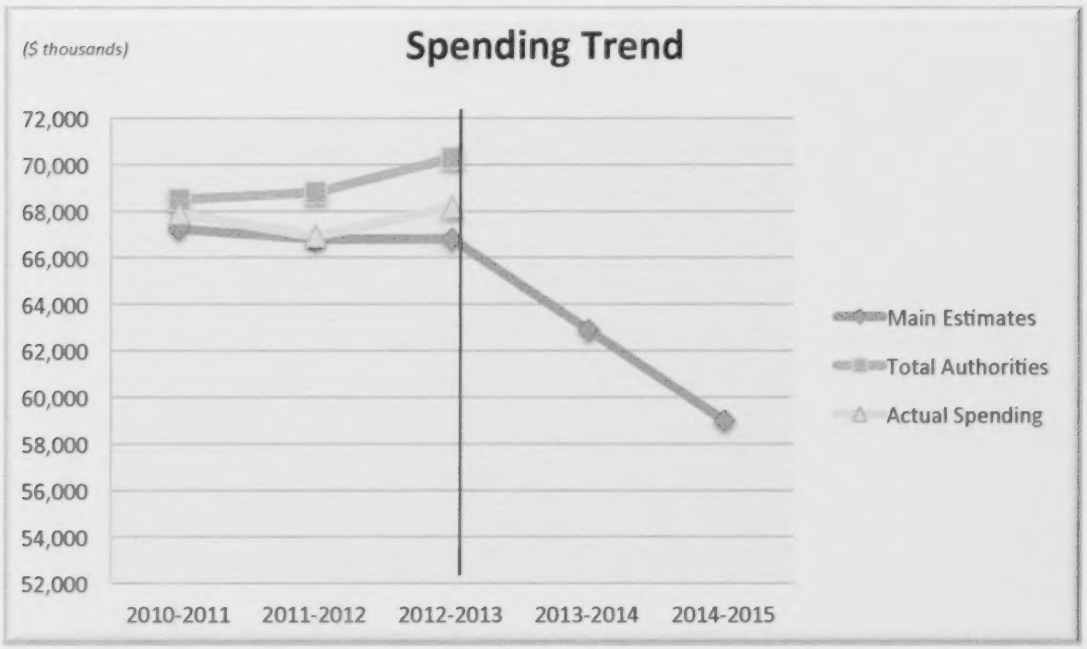
| Internal Services | Total Budgetary Expenditures (Main Estimates 2012–13) | Planned Spending | | | Total Authorities (available for use) 2012–13 | Actual Spending (authorities used) | | |
|---|---|---|---|---|---|---|---|---|
| | | 2012–13 | 2013–14 | 2014–15 | | 2012–13 | 2011–12 | 2010–11 |
| | 8,248 | 8,248 | 7,849 | 7,820 | 8,594 | 7,645 | 8,194 | 8,483 |
| Sub-Total | 8,248 | 8,248 | 7,849 | 7,820 | 8,594 | 7,645 | 8,194 | 8,483 |

**Total Performance Summary Table ($ thousands)**

| Strategic Outcome(s) and Internal Services | Total Budgetary Expenditures (Main Estimates 2012–13) | Planned Spending | | | Total Authorities (available for use) 2012–13 | Actual Spending (authorities used) | | |
|---|---|---|---|---|---|---|---|---|
| | | 2012–13 | 2013–14 | 2014–15 | | 2012–13 | 2011–12 | 2010–11 |
| | 66,782 | 66,782 | 62,890 | 58,961 | 70,267 | 68,163 | 66,904 | 67,883 |
| **Total** | **66,782** | **66,782** | **62,890** | **58,961** | **70,267** | **68,163** | **66,904** | **67,883** |

## Expenditure Profile

### Departmental Spending Trend




Projected expenditures reflect a significant reduction resulting from the NFB's implementation of measures planned in the Deficit Reduction Action Plan. The measures are being introduced progressively over three fiscal years beginning in 2012–13. Effective April 1, 2014, the NFB's parliamentary authority will be permanently reduced by 10 percent for a total of $6.7 million.

Impact per year

| | |
|---|---|
| 2012–2013 | $0.1 million |
| 2013–2014 | $3.3 million |
| 2014–2015 | $6.7 million |

## Estimates by Vote

For information on the National Film Board's organizational Votes and/or statutory expenditures, please see the *Public Accounts of Canada 2013 (Volume II)*. An electronic version of the Public Accounts 2013 is available on the Public Works and Government Services Canada website[10].

[10] http://www.tpsgc-pwgsc.gc.ca/recgen/cpc-pac/index-eng.html

# Section II: Analysis of Programs and Sub-Programs by Strategic Outcome

## Strategic Outcome

In pursuing its mandate, the National Film Board (NFB) aims to achieve the following strategic outcome:

> Canadian stories and perspectives are reflected in audiovisual media and accessible to Canadians and the world.

The NFB achieves this strategic outcome through two main programs: Audiovisual Production, and Accessibility and Audience Engagement. This last program has four sub-programs: Conservation and Preservation; Consumer Access and Engagement; Educational and Institutional Access and Engagement; and, National and International Industry Outreach. Overall, the NFB achieved the outcomes it had set for fiscal year 2012–13 regarding this strategic objective.

| **Strategic Outcome:** Canadian stories and perspectives are reflected in audiovisual media and accessible to Canadians and the world. | | |
|---|---|---|
| **Performance Indicators** | **Targets** | **Actual Results** |
| Percentage of Canadian population that indicated that NFB productions reflect Canadian stories or perspectives | 75% | 72%*<br><br>*No new survey undertaken in 2012-2013 |
| Canadian stories and perspectives: percentage of completed productions exploring Canadian diversity | 75% | 72% |
| Canadian stories and perspectives: percentage of completed productions exploring socially relevant issues | 75% | 80% |
| Number of titles available on NFB.ca / ONF.ca | 2,500 | 2,846 Public<br>679 Campus |

In an online survey of Canadians in 2012, 72 percent of respondents indicated that NFB productions reflect Canadian stories or perspectives. The survey was not repeated in 2013, but

results of previous surveys are fairly consistent: 71 percent in 2011, 69 percent in 2010 and 71 percent in 2008.

Seventy-two percent of audiovisual works completed in 2012–13 explore Canadian diversity. That percentage is slightly higher than that of the previous year, 68 percent. Also, 80 percent of works completed explore relevant social issues—a decrease compared to the preceding year's 97 percent.

Lastly, the number of NFB audiovisual works continues to increase on multiple platforms. Indeed, at the end of 2012–13, 2,846 titles were available on the NFB.ca and ONF.ca Screening Rooms and 679 on CAMPUS, the online resource for educators.

## Program: Audiovisual Production

This program contributes to Canadians' understanding of the issues facing our country and raises awareness of Canadian viewpoints around the world.

As a public sector producer, the NFB produces original audiovisual works that reflect diverse Canadian perspectives, including cultural, regional and aboriginal, and emanate from the diverse creators and communities that make up the country. This program operates where the private sector doesn't, allowing creators to explore artistic and technological advances in form and content. It also ensures the identification, development and nurturing of talent and creative skills, within filmmaking and other creative communities.

NFB programming is necessary to ensure that Canadians have access to diverse voices and content in both official languages. It promotes Canadian culture and values in events of national historic and cultural significance.

As Canadians' media consumption migrates online, the NFB provides leadership in the creation of innovative digital content in both official languages.

Production activities include the conceptualization, research, development and production of documentaries, animation films, new media content and other emerging forms.

**Financial Resources – For Program Level ($ thousands)**

| Total Budgetary Expenditures (Main Estimates) 2012–13 | Planned Spending 2012–13 | Total Authorities (available for use) 2012–13 | Actual Spending (authorities used) 2012–13 | Difference 2012–13 |
|---|---|---|---|---|
| 40,755 | 40,755 | 42,521 | 41,309 | 554 |

## Human Resources (FTEs)

| Planned 2012–13 | Actual 2012–13 | Difference 2012–13 |
|---|---|---|
| 245 | 241 | (4) |

## Performance Results

| Expected Results | Performance Indicators | Targets | Actual Results |
|---|---|---|---|
| The NFB's audiovisual works are innovative. | Percentage of Canadian public that perceives the NFB as an innovative, creative institution | 65%( innovative)<br>75% (creative) | 63% innovative<br>73% creative |
| | Percentage of prestige awards and tributes among total number of awards earned at Canadian and International festivals (i.e. innovation related awards, creative excellence awards, tributes, Canada award for diversity) | 15% | 25% |
| Emerging and established Canadian creators at the NFB reflect Canada's diversity. | Percentage of completed audiovisual works by emerging filmmakers Criteria for emerging: 1st, 2nd and 3rd film | 23% | 45% |
| | Numbers of emerging filmmakers working on a film at the NFB or participating in NFB organized talent-nurturing initiatives, including competitions | 110 | 110 |
| | Percentage of completed audio-visual works by culturally, regionally and linguistically diverse filmmakers, Aboriginal filmmakers and people with disabilities | 51% | 50% |

| | | | |
|---|---|---|---|
| Events of historic and cultural significance promoting Canadian culture and values include NFB participation. | Number of productions for major national and international projects | 13 | 10 |

## Performance Analysis and Lessons Learned

***Works completed in 2012–13***

| Types of productions | 2012–13 |
|---|---|
| Original productions and co-productions | 76 |
| **Interactive works** | |
| Interactive websites | 8 |
| Original films for websites installations | 83 |
| Public installations [11] | 2 |
| Applications for tablets | 3 |

In 2012–13, the NFB completed the production of 76 original works, comprising 48 documentaries, 24 animated films, two experimental films and two fiction films. The NFB also produced eight original websites and 83 films for those sites. In addition, three apps for tablets and two installations were created.

2012-13 was marked by the release of significant documentary works dealing with highly varied topics. They include the critically acclaimed ***Stories We Tell*** by Sarah Polley, which was screened in over 130 theatres across the country, and ***Alphée of the Stars*** by Hugo Latulippe (Esperamos/NFB), a personal film that is showing much promise at festivals. Also of note, ***We Were Children*** (Eagle Vision/eOne/NFB) by Tim Wolochatiuk, a documentary on the legacy of Canada's residential school system, and ***Last Chance*** by Paul Émile d'Entremont, which tells the stories of people seeking asylum in Canada to escape homophobic violence in their homelands.

In the context of the Road to 2017 celebrations, the NFB produced the short documentary ***The Portrait*** by Hubert Davis, showing artist Phil Richards painting the portrait of Her Majesty Queen Elizabeth II that was commissioned by the Government of Canada. The film is part of a collector's edition created by the NFB in partnership with the Department of Canadian Heritage to commemorate the Queen's Diamond Jubilee. Governor General David Johnston held a special screening of the film at Rideau Hall on September 23, 2012. In addition, the film ***De Courcelette***

[11] Public Installations are a form of contemporary art: they are temporary, three dimensional and built into site specific physical spaces. They are designed to create an overall sensory experience including, but not limited to space, time, place and object interaction. Unlike most sculpture/art, the audience is generally required to participate with the space or objects in order to reveal the story through its interactive elements.

***à Kandahar*** by Claude Guilmain, about the Royal 22e Régiment, is still in production and will be released in 2014 to mark the 100th anniversary of the regiment's founding.

Several highly anticipated animated works were launched during the year, including the 3D film ***Gloria Victoria,*** the third in a trilogy by director Theodore Ushev dealing with the relationship between art and power, and ***Subconscious Password*** by Chris Landreth. ***Marie Michelle Thomas*** by Robert Lepage and Pedro Pires and the interactive work ***Circa 1948*** by Stan Douglas are still in production and will be released next year. The animated film ***Big Mouth***, by Andrea Dorfman, has been added to the collection of educational films, accompanied by a study guide.

During the year, 93 films were completed under the Filmmaker Assistance Program (FAP) or with assistance from the independent film support program ACIC (Aide au cinéma indépendant – Canada). ACIC celebrated its 40th anniversary. Since its inception, it has enabled nearly one thousand filmmakers to carry out screen projects by providing them with access to additional technical service assistance for production and post-production.

The NFB works in a constantly evolving environment. Indeed, technologies are changing and the NFB must adapt the diversity of its programming accordingly. In addition to linear formats such as animated and documentary films, the NFB has explored new forms such as interactive works and more recently interactive installations. The NFB must remain open to other genres and hybrid forms of creation if they correspond to its raison d'être in terms of creativity and imagination. Thought is also being given to the new strategic plan which calls for pushing the boundaries of creative exploration, the creator, the purpose of the created work, the target audience and the pursued goal.

*Encouraging a diversity of points of view in both official languages and supporting emerging filmmakers*

The NFB's productions are created by talented artists from all backgrounds and regions of Canada in both official languages, in order to represent Canada in all its diversity. In 2012–13, half of the works (50 percent) were created by filmmakers from diverse regions and ethno-cultural, Aboriginal and linguistic communities. As for productions and co-productions, the proportion of films for the Web is 60 percent and 40 percent respectively.

In 2012–13, 30 percent of completed productions and co-productions were created by filmmakers from official-language minority communities (OLMCs): 23 of the 76 original productions and 29 of the 83 original Web productions.

As part of the French Development and Promotion Strategy intended to promote the French language and enhance the visibility of our heritage in Canada and the French-speaking world, the NFB launched the interactive work ***Ta parole est en jeu***, produced in collaboration with the University of Moncton and with support from Canadian Heritage. This easy, user-friendly French-language game is geared to 13- to 18-year olds. In all, 464 short films and 13 short features on the French language for each Canadian province were produced for posting on the

site. There were 7,000 visits to the site in February and March 2013 and a promotional campaign targeting French teachers across Canada will be launched in the fall.

In addition, the NFB participated in the French Language World Forum held from July 2 to 6, 2012, in Quebec City. The event attracted nearly 1,500 delegates representing all countries in the French-speaking world. For the occasion, the NFB presented the world premiere of ***Échos***, an interactive, participative work that showcases the richness of the French language. Twenty-four audiovisual works expressing various emotions were created in a number of francophone countries. Visitors are invited to take part in the installation by adding words and expressions of their own.

Last year, the NFB announced that its Canadian Francophonie Studio would serve Francophone minorities in Ontario and Western Canada as well as the Acadian minority via its three production centres: Toronto, Moncton and soon Vancouver. The executive producer responsible for minority French-language production will now be based in Toronto and a new interactive producer position will be created in Vancouver. As a public producer and distributor of audiovisual works, the NFB must provide production services to francophone and anglophone filmmakers, artists and artisans as well as to those from minority communities. In so doing, the NFB complies with the principle of substantive equality: its very structure ensures that the organization is able to take the various linguistic communities into account.

To conclude, the NFB continues to play an active role in the identification, development and mentorship of talent and creative skills, within both the established and emerging filmmaking communities. Emerging filmmakers created nearly 45 percent of the audiovisual works completed. Over the course of the year, professional training was provided to 110 individuals through 18 talent-nurturing initiatives. Seventeen of those individuals participated in seven talent-development initiatives in OLMCs.

Regarding emerging filmmaker programs, outreach efforts in the various target communities need to be tailored to ensure that groups taking part in the training are balanced and representative. However, some emerging filmmaker programs in remote areas of Canada require being present at regular intervals and forging long-term partnerships not only to ensure that the objectives are achieved but also to foster program continuity.

*Supporting the creation of professional media works by Aboriginal filmmakers*

Since it was founded, the NFB has been working closely with Aboriginal filmmakers and creators across the country to recount their history and traditions and strengthen their contribution to the film community. To that end, the NFB launched Digital North 1.0 this year in collaboration with the Nunavut Film Development Corporation. Digital North 1.0 is an intensive five-day workshop for Northern filmmakers focusing on the development and production of interactive works. Two proposals were selected from the 20 submitted. Also with Nunavut Film, emerging filmmakers from Nunavut completed their short films under the Stories from Our Land 2.0 initiative.

In addition, the NFB launched the first edition of Tremplin NIKANIK in November 2012, a competition for First Nations francophone filmmakers in Quebec wishing to make a 30-minute

or less first or second documentary work. Tremplin NIKANIK gives aspiring filmmakers a chance to gain hands-on screenwriting and production experience by working with recognized professionals. Six projects were selected from the 16 submitted. The finalists benefited from training at the NFB and were provided with follow-up sessions with scriptwriting advisers to refine their projects. The winner will be announced next year.

Lastly, the NFB continued its partnership with the First Nations Education Council (FNEC) for the Tewekan Vision Aboriginal production centre. In 2012–13, the Tewekan group received training in animation, scriptwriting, budget building and production management.

*Other notable partnerships*

For the fifth consecutive year, the NFB partnered with the Governor General's Awards to create a series of eight short films as a tribute to the recipients of the Governor General's Performing Arts Awards. Counting this year's films, the NFB has produced 40 films in five years through this partnership.

An important partnership was signed with the Mental Health Commission of Canada for the ***Here At Home*** project. This pan-Canadian Web documentary, available in both languages, was shot in five Canadian cities by five filmmakers and is composed of some 40 short films. It focuses, in real time, on people in Moncton, Montreal, Toronto, Winnipeg and Vancouver who participated in the world's largest study on mental health and homelessness.

In partnership with the Department of Canadian Heritage, the NFB also produced ***The Loxleys and the War of 1812***, an interactive animated graphic novel based on the book published by Renegade Arts Entertainment. This app for tablets enabled the NFB to demonstrate its commitment to making our country's stories known and showcasing Canadian technological innovation in the audiovisual and interactive production sectors.

Marking the renewal of its partnership with the newspaper *Le Devoir*, the NFB launched four photo essays during the year, including ***Les maux illisibles***, an interactive essay on the realities of illiteracy in Quebec.

*Awards*

| **Awards for excellence and innovation** | **2012–13** |
|---|---|
| Canadian awards | 67 |
| International awards | 68 |
| **Total** | 135 |

Last year, the NFB received 135 awards and tributes in Canada and abroad—30 more than the previous year. Of that number, 25 percent are considered prestigious.

Web productions continued to gain recognition this year. ***God's Lake Narrows***, by Kevin Lee Burton, won a Webby Award for Best Use of Photography (Websites category) and ***Bla Bla*** by Vincent Morisset also won a Webby for Netart in the Websites category. In addition, the NFB won its very first Gold Cyber Lion Award at the Cannes International Festival of Creativity, for the interactive documentary ***Bear 71***.

2012–13 was an exceptional year for animated shorts screened both at home and abroad, which garnered 63 awards. Of note are ***Bydlo*** by Patrick Bouchard, which won the Best Animation Film Award at the prestigious International Short Film Festival in Clermont-Ferrand and the Best Short/Medium-Length Animation Award at the Jutra Awards ceremony. ***Edmond Was a Donkey*** by Franck Dion won the Special Jury Award at the Annecy International Animation Film Festival, and ***Sunday*** by Patrick Doyon was awarded the Special International Jury Prize at the Hiroshima International Animation Festival.

In the documentary category, ***Stories We Tell*** by Sarah Polley, which made its world premiere at the prestigious Venice International Film Festival, won the Rogers Best Canadian Film Award given by the Toronto Film Critics Association.

## Program: Accessibility and Audience Engagement Program[12]

This program ensures that Canadians and world audiences are able to access, view, discuss and engage with innovative Canadian content that reflects Canadian stories and perspectives. As media consumption migrates online, Canadian content must be made available in all digital and mobile forms.

Delivery mechanisms include the distribution, marketing and commercialization of audiovisual works via a diverse catalogue, a well established stock footage library, the development of diversified markets ( i.e.: theatrical, television, consumer and institutional) via online and traditional channels in Canada and abroad. These activities make works widely accessible across Canada, notably to underserved and remote communities, Aboriginal and Official language minority communities.

NFB's accessibility and audience engagement activities contribute to a dynamic Canadian culture and heritage.

[12] Financial information is presented only at the program level in order to be consistent with the RPP 2012–2013.

## Financial Resources ($ thousands)

| Total Budgetary Expenditures (Main Estimates) 2012–13 | Planned Spending 2012–13 | Total Authorities (available for use) 2012–13 | Actual Spending (authorities used) 2012–13 | Difference 2012–13 |
|---|---|---|---|---|
| 17,779 | 17,779 | 19,152 | 19,209 | 1,430 |

## Human Resources (FTEs)

| Planned 2012–13 | Actual 2012–13 | Difference 2012–13 |
|---|---|---|
| 128 | 109 | (19) |

## Performance Results

| Expected Results | Performance Indicators | Targets | Actual Results |
|---|---|---|---|
| Canadian and international audiences view and engage with NFB works | Percentage of Canadian population who say they viewed an NFB production in the last year | 30% by March 31 2015 | 38% (2011-2012 survey results) |
| | Total number of views of NFB works | 35 million by March 31 2015 | Total: 34,580, 853<br>Canada: 28,848,176<br>International:5,732,677 |
| | Total number of users by level of engagement (registered or customer) | 100,000 registered; 12,000 customers by March 31, 2015 | 175,221 registered<br>19,429 customers |
| | Total Revenues generated | $4.7 million by March 31 2014[13] | $3,992,560 |

[13] Revenue targets were adjusted from 5.9 million by March 2012 to 4.7 million by March 2014.

## Performance Analysis and Lessons Learned

According to an online survey conducted on behalf of the NFB in March 2011, 38 percent of Canadians had viewed an NFB production in the last year. A new survey, originally scheduled for 2012–13, was postponed to 2013–14, in order to invest resources in a more complete survey model and a larger sampling of both online and offline respondents.

In 2012–13, the total number of views of NFB works reached close to 34.6 million worldwide, a 9 percent increase over the previous year total of 31.8 million views. The NFB expects to reach its target of 35 million views well before 2015. In addition, it recorded 175,221 registered users and 19,429 customers, surpassing the targets set for the measurement of audience engagement.

Below is an analysis of audience trends by platform:

*Canadian audience*

| **Canadian Audience** | **2012–13** | **2011–12** |
|---|---|---|
| Television views | 9,707,000 | 7,570,000 |
| Non-theatrical views (Education and Institutional) | 12,615,512 | 12,512,063 |
| Views on NFB.ca and ONF.ca | 3,658,340 | 3,764,960 |
| Interactive production views on NFB.ca and ONF.ca (new) | 308,390 | |
| Online partner views (YouTube and Dailymotion) | 742,832 | 462,488 |
| Home video views | 20,386 | 19,641 |
| Visits to NFB Mediatheques (Montreal and Toronto) | 68,023 | 214,748 |
| Workshop participants (new) | 8,952 | |
| Public screening views[14] | 1,718,741 | 1,075,197 |
| **GRAND TOTAL** | **28,848,176** | **25,619,097** |

Canadian audiences increased significantly overall in 2012–13, to 28.9 million—representing a 13 percent increase from the previous year—largely as a result of marked increases in both television and public screening audiences, in addition to steady growth in Internet audiences.

Canadian online viewing continues to increase, with cumulative combined views (NFB.ca, ONF.ca, interactive productions, and online partners) in Canada reaching 4.7 million in 2012–13, an 11 percent increase from 2011–12. Online partner views grew 61 percent from last year, and,

[14] Includes theatrical views

for the first time in 2012–13, the number of interactive production views (308,000) were added to the calculation of online audience numbers.

Total Canadian television audiences were 9.7 million in 2012–13, representing a 28 percent increase over last year's results. This is the first annual increase in Canadian television audiences on recent record, and follows five years of successive declines.

*International*

A methodology was established in 2010–11 to measure the number of international views of NFB films. At this time, only international online views of NFB productions can be measured accurately. The total number of international views in 2012–13 reached 5.7 million, representing a decrease of 9 percent from the previous year.

*Revenues*

| **Audiovisual Revenue[15] by Market** | **2012–13** (in dollars) | **2011–12[16]** (in dollars) | **% Difference** |
|---|---|---|---|
| Television and pre-sales | 830,574 | 1,550,227 | (46) |
| Institutional and educational | 1,636,340 | 2,286,321 | (28) |
| Homevideo | 538,944 | 459,599 | 17 |
| Theatrical | 364,933 | 102,298 | 257 |
| Stock shots | 551,769 | 506,714 | 9 |
| **Total** | **3,922,560** | **4,905,159** | **(20)** |

Audiovisual revenues in 2012–13 experienced a 20 percent decline in comparison to the previous year. Two markets in particular, television/pre-sales and institutional/educational, suffered decreases, of 46 percent and 28 percent respectively. A more detailed revenue analysis is available on page 44.

## Sub-Program: Conservation and Preservation

NFB productions, regardless of the work's original source, are preserved and digitized in order to ensure their permanence and their accessibility to Canadians and the world, now and in future generations. This sub-program reduces the risks of technological obsolescence, minimizes the effects of time on the media on which works are recorded, and guarantees the physical security of works. Preservation and conservation require suitable tools and systems for identification, management, archiving and restoration. As Canadians' media consumption migrates on-line, it is imperative that high-quality innovative Canadian content is available to them. Without a concerted conservation and preservation activity, this cultural heritage is at risk of loss.

[15] Does not include partnership revenues, revenues from NFB centres and other miscellaneous revenues.

[16] Final results for 2011–12 were restated to reclassify educational workshop revenues, from miscellaneous revenues to the institutional and educational market.

**Performance Results**

| Expected Results | Performance Indicators | Targets | Actual Results |
|---|---|---|---|
| The NFB collection is safeguarded and protected | Number of works in the collection available on two different physical media and situated at two separate geographical locations | 2,600 titles per year | 2,576 titles in 2012–13<br>Total: 7,576 |
| The NFB collection is made accessible digitally to future generations | Number of works in the collection that have a mezzanine file | 1,500 titles per year | 1,934 titles in 2012–13<br>Total: 2,960 |

## Performance Analysis and Lessons Learned

Over the past year, the NFB has continued to relocate components of its collection. In 2012–13, 2,576 titles were transferred to a separate location, for a total of 7,576 titles. To date, more than 60 percent of the NFB collection in film format has images and sound stored at two or more sites. This organizational risk has been mitigated satisfactorily; the NFB will have secured its entire collection by 2015–16, in keeping with the objectives of its conservation plan.

| Digital Assets Produced through the Digitization Plan | Number of Titles, 2012–13 | Titles' Total Length, 2012–13 (rounded) | Titles Digitized as of March 31, 2013 |
|---|---|---|---|
| Digital source master – image | 554 | 207 hours | 1,567 |
| Digital master – image produced from film source | 244 | 89 hours | 599 |
| Digital master – image produced from video source (MMMV) | 438 | 205 hours | 713 |
| Digital source master – sound | 695 | 256 hours | 1,381 |
| Digital master – sound | 357 | 140 hours | 715 |
| Mezzanine files | 1,934 | n/a | 2,960 |

As indicated by the table above, the NFB's digitization plan is on track. In fiscal year 2012–13, 554 digital source masters (image) and 695 digital source masters (sound) were created, as well as almost 244 digital masters (image) and 357 digital masters (sound). The NFB also produced

1,934 mezzanine files for its works, totalling 2,960 at the end of the year. A Mezzanine file is a digital file that is compressed from a digital master and is used for producing the vast majority of accessibility deliverables. As of March 31, 2013, 38 percent of works in the NFB collection have a mezzanine file, and 30 percent of the collection has a digital source master.

The final component of the NFB's digital transition was the implementation of a digital Media Asset Management (MAM) system that makes it easier for the NFB to manage digital assets more effectively, ensuring that works can be more quickly accessed by Canadians. In 2012–13, the NFB signed a technology partnership with North Plains Systems that will enable North Plains to add new functions to its Telescope product, while allowing the NFB to develop a system suited to the ways in which it manages information. The new MAM system will allow users to access the NFB's collection and select the works they need in a user-friendly environment.

Optimizing storage capacity is key to the success of the digitization plan. The NFB's digital transformation is generating a substantial volume of data. This increase in storage requirements and the addition of digital work processes present a continuing challenge for the NFB's storage infrastructure. As a result, the NFB has prepared a short and medium-term plan to meet its storage needs. The feasibility of using cloud storage and other storage solutions will be assessed.

## Sub-Program: Consumer Access and Engagement

This sub-program delivers Canadian audiovisual works to Canadian and international consumers. It exists to allow individual consumers to access and engage with Canadian cultural products that reflect our history and values and that interpret Canada to Canadians and to other nations. In so doing, national and international consumers share in a dynamic Canadian culture and heritage.

Delivery mechanisms include the distribution, marketing and commercialization of audiovisual works via a diverse catalogue, the development of diversified markets and channels, i.e.: theatrical, television and Internet/mobile and hard goods in Canada and abroad.

**Performance Results**

| Expected Results | Performance Indicators | Targets | Actual Results |
|---|---|---|---|
| Consumers view NFB audiovisual works on multiple access channels | Number of views through consumer access channels (ie., TV, theatrical, Home Video DVD, streaming, etc) | 21 million by March 31 2015 | 21,888,366 |
| Consumers engage with the NFB | Number of Consumers by level of engagement (registered or customers) | 92,000 registered and 9,000 customers by March 31 2015 | 171,133 registered, 12,400 customers |
| | Revenues generated through consumer access channels | $2,7 million by March 31 2014 | 2,238,375 |

## Performance Analysis and Lessons Learned

In 2013, the total number of consumer views via multiple access channels reached over 21.8 million. This number, as well as the number of actual registered consumers and customers, surpassed the baselines established in 2012.

| Online Screening Room Added Productions | 2012–13 | As of March 31, 2013 |
|---|---|---|
| Trailers and clips in French | 64 | 183 |
| Trailers and clips in English | 82 | 284 |
| Films in French | 162 | 1,140 |
| Films in English | 183 | 1,237 |
| **Total** | **491** | **2,844** |

The NFB continued to increase its free content online and via mobile applications. In 2012–13, 265 productions (films, clips and trailers) were added in English, and 226 productions in French. As of March 31, 2013, close to 2,900 productions were available for streaming online. The transactional capacity of NFB.ca and ONF.ca was fully functional. Other functionalities such as creating, storing and sharing playlists were developed for the educational sector and will be implemented on NFB.ca in fiscal year 2013–14.

*Digital and DVD box sets*

During fiscal year 2012–13, the NFB created an iPad application featuring: 51 films by animation pioneer Norman McLaren, 11 short documentaries and an illustrated biography and essay on McLaren by Don McWilliams. The app also includes several workshops that allow users to experiment with McLaren's creative tools and techniques in order to make and share their own animations. The app was launched in June 2013.

In June 2012, the NFB launched an iPad app based on Co Hoedeman's ever-popular Ludovic series, designed to help children learn about the passage of time by having them participate in simple, creative and educational activities.

In celebration of the 60-year reign of Her Majesty Queen Elizabeth II, the NFB launched, along with partners Canada Post and the Department of Canadian Heritage, a special two-DVD box set entitled ***Celebrating the Queen's Diamond Jubilee – Collector's Edition***. The box set, launched with a day of free screenings on September 30 at the Canadian Museum of Civilization as part of its Culture Days programming, is being distributed to Canadian secondary schools, colleges, CEGEPs, universities and public libraries, as well as Canadian embassies worldwide.

The plan to create a virtual space called Mémoires ONF (NFB Memories), where users could discover the NFB landmarks of Canadian filmmaking, was postponed to 2014–2015. Due to production delays in the making of some of the video capsules, it was decided to leverage this initiative to celebrate the NFB's 75th anniversary in 2014.

*Digital distribution partnerships*

As per the objectives in its business plan, in the last two years the NFB has focused on increasing the accessibility of its productions and generating new revenues. In 2012–13, efforts were centred on managing existing relationships with other organizations, though new partnerships were signed with leading content aggregators and digital distributors. Highlights include the launch of the NFB app for the Samsung Smart TV, which offers users unlimited access to close to 2,000 NFB films, free of charge. Additionally, the BlackBerry Store and Google Play now offer NFB titles via download-to-own and video-on-demand services. An NFB section on iTunes Canada featuring documentaries, animation and apps was also secured. In June 2012, a partnership with Phoenix New Media, one of China's leading private-sector media companies, resulted in the creation of NFB Zone, the first Canadian-branded, online channel in the People's Republic of China. This channel, launched in May 2013, features approximately 100 NFB animated and documentary films.

*New releases on non-traditional windows*

The NFB tested the potential of non-traditional windows—beyond the traditional festival or broadcast models—to aid in the launch of its films, offering two titles for free on NFB.ca for a limited period. The results were satisfactory, with over 8,000 views each of the films *Status Quo* and *Assembly*, which were launched as part of programming for International Women's Day 2013. The new release *Last Chance* was also offered for free, on a human rights-themed playlist

on NFB.ca, and was viewed more than 30,000 times, in both official languages. Increased views were also noted for related titles on the thematic playlists.

*Community screenings*
French and francophile communities across Canada engaged with NFB films at the Rendez-vous de la francophonie (RVF) to a greater extent than ever. NFB screenings and audience numbers hit a record high, exceeding results of all previous years since the NFB first began participating in the RVF in 2006, with 230 screenings in 86 cities across Canada, 580 online screenings, and a total audience of 13,839. This was the NFB's eighth consecutive year of participation in the RVF.

Other highlights include the November 2012 Ottawa premiere of ***We Were Children***, a co-production with Eagle Vision Inc. and eOne, with the participation of Manitoba Film and Music, the Canada Media Fund and the Aboriginal Peoples Television Network. This free public screening at the Library and Archives Canada auditorium was presented in collaboration with the Truth and Reconciliation Commission of Canada (TRC) and Aboriginal Affairs and Northern Development Canada. ***We Were Children*** tells the true story of two Aboriginal children removed from their homes and forced into Canada's residential school system. Many survivors and their families made the journey to Ottawa for the premiere of the film.

As indicated in the 2012–13 RPP, the NFB assisted the Collège communautaire du Nouveau-Brunswick with the equipment and installation of an e-cinema facility in the Acadian town of Bathurst. E-cinema is the digital transmission of films that are downloaded onto a server and then screened in high definition. NFB e-cinema programming is expected to start in the fall of 2013.

## Sub-Program: Educational and institutional access and engagement

This sub-program enables Canadian and international educational and institutional groups to provide Canadian cultural products and their inherent values to their members and students. It supports the distribution and the use of Canadian audiovisual works and content, which include educational workshops and pedagogical activities to Canadian and international educational and institutional audiences. NFB productions and content must be widely accessible, promoted and distributed to Canadian and international Educational markets (teachers, schools, school boards, colleges, universities and ministries of education), as well as Institutional markets (public libraries, social and health services, community and cultural associations and businesses) to engage Canadian youth and to support their educational activities. Delivery mechanisms include the distribution, marketing and commercialization of audiovisual works via a diverse catalogue, the development of diversified channels, i.e.: Internet, mobile and hard goods in Canada and abroad.

**Performance Results**

| Expected Results | Performance Indicators | Targets | Actual Results |
|---|---|---|---|
| Educational and institutional audiences view NFB audiovisual works on multiple access channels | Number of views through education access channels (ie., DVD sales to schools, teacher workshops, education online subscriptions, etc) | 14 million by March 31 2015 | 12,615,512 views and 8,952 workshop participants 68,023 mediatheque visitors |
| Educational and institutional audiences engage with the NFB | Number of Educational Users by level of engagement (registered or customer) | 8,000 registered and 3,000 customers by March 31, 2015 | 4,160 registered, 6,849 customers |
| | Number of pedagogical materials downloaded | Baseline set at 40,000 | 48,287 |
| | Revenues generated through Educational access channels | $2.7 million by March 31 2014 | $1,754,026 |

## Performance Analysis and Lessons Learned

CAMPUS, the NFB's online streaming service for schools, is a teacher's go-to source for quality Canadian content that meets the needs of today's students. To date, over 2.7 million Canadian K–12 students have access to this resource in their classrooms.

In response to teaching trends and needs, the NFB has developed playlists and educational resources to support Canadian school curricula. In 2012–13, the playlist themes were War and Peace, Empathy Education (elementary and secondary) and Global Issues, while a custom, online workshop entitled StopMo Studio was also created for educators.

Thirty-five films were acquired to supplement the NFB's educational film collection, including the series *Discover Science* from partners at NHK (Japan's public broadcaster). A partnership was also established with LA Theatre Works to integrate audio plays of famous literary works into the NFB's educational offering.

In November 2012, as part of the Bicentennial Commemoration of the War of 1812, the NFB launched *The Loxleys and the War of 1812*, with financial support from the Department of Canadian Heritage. This interactive app for tablets was featured on CAMPUS and accompanied by study guides, generating over 6,500 downloads. A compelling educational tool, *The Loxleys* was designed to help families learn more about significant events in Canadian history.

*Workshops and virtual classrooms*

Following the closures of the NFB CineRobotheque in Montreal and the Mediatheque in Toronto, the NFB's educational team underwent a transitional period in order to develop and execute a new educational strategy. As a result, fewer workshops were offered in 2012–13. A total of 252 workshops were attended by 8,952 students and educators in the following cities: Toronto, Renfrew, Quebec City, Montreal, Vancouver, Victoria, Calgary, Gatineau, Yellowknife, Ottawa, Halifax and Iqaluit.

The NFB also developed and delivered four Virtual Classroom webcasts, including, in the case of the Van Doos Virtual Classroom, two events in both official languages, produced in collaboration with the Canadian War Museum and the Department of National Defence.

*Unikkausivut: Sharing Our Stories*

In April 2012, the NFB enhanced the Web component of its landmark Inuit audiovisual legacy project, ***Unikkausivut: Sharing Our Stories***, by adding 20 works, bringing the number of Inuit films available free of charge online to 60. It also launched the *Unikkausivut* initiative in Montreal to coincide with the International Polar Year (IPY) 2012 Conference, where it took part in a workshop for teachers entitled the Polar Educators Workshop. The NFB shared its experience in film education and presented the *Unikkausivut* project and CAMPUS.

In 2012–13, the NFB completed its second partnership with the Nunavut Department of Education and signed an initial contract with the Nunatsiavut Government to create new language versions of films from that region that are included in the *Unikkausivut* compilation. The goal of this collaboration is to make these films available for distribution in the Nunatsiavut dialect. Also in 2012-13, the Assistant Commissioner went to Nunavik to meet with members of the Makivik Corporation's Board of Directors and the Kangiqsujuaq community to establish an initial partnership with regional authorities.

Audiences

Institutional and educational audiences remain the NFB's single largest audience sector, at 12,615,512 views for 2012–13 (excluding workshops and mediatheque visits), representing a one percent increase from the previous year. In addition, over 48,000 pedagogical guides were downloaded. For 2012–13, the NFB reported 4,160 registered online users and 6,849 customers for CAMPUS. It should be noted that current audience estimates in this market are calculated on the basis of units sold and in active circulation in those markets, and do not yet fully reflect the migration toward online access. Changes to reporting in 2013–14 will begin to allow specific measurement and monitoring of viewing by CAMPUS subscribers.

## Sub-Program: National and International Industry Outreach

Through this sub-program, the NFB enables the Canadian and international audiovisual industry to participate in the promotion of Canadian culture and heritage via private and public sector partnership. These partnerships facilitate the exchange of knowledge and creativity, foster a close collaboration with industry in major festivals and markets (ie. MIP, BANFF, Hotdocs, Sunny Side of the doc) through panel discussions, Q&A, competitions, awards, etc.) Activities also include the marketing and promotion of NFB audiovisual works and thematic compilations in major national and international festivals/markets as well as events of significance (such as Oscars nominations, World Expositions, Quebec City's 400th anniversary), and the marketing and promotion of retrospectives of the NFB and its notable filmmakers (Norman McLaren, Pierre Perrault, Alanis Obomsawin).

**Performance Results**

| Expected Results | Performance Indicators | Targets | Actual Results |
|---|---|---|---|
| The NFB's expertise is recognized at a broad range of major festivals and industry events in Canada and abroad | Number of events (such as panels, presentations, roundtables) with NFB participation as experts | 35 | 28 |
| Participants present | Number of participants at these events | Baseline set at 35,000 | Not available[17] Estimated at 35,000 |
| NFB films selected in festivals | Number of NFB films selected in Canadian and International festivals | 400 | 602 |

## Performance Analysis and Lessons Learned

Every year, the NFB is present at a variety of outreach events and tradeshows to interact and facilitate an exchange of knowledge with key stakeholders in the Canadian and international film and television industries. In the past year, 602 films were selected and screened in 251 major Canadian and international festivals around the world.

[17] Due to the cuts to the G&C program and the changing nature of partnership with festivals, the NFB was unable to report on exact attendance at festivals. A measurement strategy will be developed for fiscal year 2013–14.

Partners in 2012–13 included key Canadian festivals, at which NFB representatives participated in panels, organized digital storytelling and animation workshops, presented awards and screened film trailers. In all, 28 events were attended last fiscal. Festival partners in 2012–13 included the Reel World Film Festival, Hot Docs, DOXA Documentary Film Festival, Yorkton Short Film and Video Festival, Ottawa International Animation Festival, the imagineNATIVE Film + Media Arts Festival, Vancouver Asian International Film Festival, Festival international du cinema francophone en Acadie, Rendez vous du cinéma québécois, Rendez-vous de la francophonie, BANFF World Media Festival, and many others.

Efforts were focused in 2012–13 to make NFB productions increasingly available in public spaces. As part of the Aérogalérie program, Aéroports de Montréal and the NFB presented a photo exhibition of NFB Oscar®-winning animations in a section of the airport that is open to the general public. The exhibition is already present in an area of the airport that is limited to passengers. In addition, a partnership was signed between Via Rail, the NFB and CBC/Radio Canada to launch On-board Entertainment, a new interactive digital platform that will give VIA Rail passengers access to Canadian audiovisual works, free of charge, as of July 2013.

The NFB developed several partnerships with Canadian museums to ensure that people from across the country and abroad have access to unique artistic and cultural experiences. One such example is a partnership with the Canadian Museum of Nature to present 24 new or classic works from each of the four Inuit regions at the Museum's Extraordinary Arctic Festival, which took place in early April 2013.

The NFB partnered with the Canadian Museum of Civilization (CMC) on a number of events including special screenings and education workshops throughout the year. The NFB contributed to the CMC's exhibition *A Queen and her Country* by providing some of its archival material for inclusion in their exhibit on the Queen. In addition, it delivered its *PixStop* animation workshops during both their July 1st celebrations held at the Museum and its *Culture Days* event in September. Training was also provided to CMC personnel on how to use the NFB'S new animation app *PixStop*.

In preparation for the NFB's 75th anniversary in 2014, a partnership was also signed with the Museum of Civilization in Quebec to deliver an NFB animation exhibit.

Other important partnerships were developed throughout the year with the Winnipeg Art Gallery and the Canadian Human Rights Museum, and the Museum of Science and Technology.

One of the priorities of the NFB's plan to promote the French language is collaboration with francophone organizations, with the goal of engaging in discussion on common issues regarding the status of the French language in Canada and internationally. In July 2012, the NFB showcased its francophone audiovisual content at both the world congress of the Fédération internationale des professeurs de français in Durban, South Africa, and the French Language World Forum in Quebec City. *Échos*, an interactive installation on the theme of the French language, was created especially for the Forum, and could be experienced at the Quebec City Convention Centre as well as online.

## Internal Services

Internal Services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. These groups are: Management and Oversight Services; Communications Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services; Real Property Services; Material Services; Acquisition Services; and Travel and Other Administrative Services. Internal Services include only those activities and resources that apply across an organization and not to those provided specifically to a program.

**Financial Resources ($ thousands)**

| Total Budgetary Expenditures (Main Estimates) 2012–13 | Planned Spending 2012–13 | Total Authorities (available for use) 2012–13 | Actual Spending (authorities used) 2012–13 | Difference 2012–13 |
|---|---|---|---|---|
| 8,248 | 8,248 | 8,594 | 7,645 | (603) |

**Human Resources (FTEs)**

| Planned 2012–13 | Actual 2012–13 | Difference 2012–13 |
|---|---|---|
| 55 | 53 | (2) |

## Performance Analysis and Lessons Learned

*Follow-up on the MAF assessment: risk management, information management, departmental security*

The NFB has undertaken to make the improvements that were recommended following its latest MAF assessment, especially regarding integrated risk management.

In the spring and summer of 2012, the senior risk management champion toured offices in Canada to inform all employees of the objectives and responsibilities related to risk management. The first step in deploying a formal risk analysis process for new production projects and partnerships was implemented in 2012. The next steps will be implemented in the coming year. During the risk management assessment, the NFB adopted a methodological approach that sought to strengthen the identification, assessment and mitigation of its key business risks. The organization consulted several risk management experts in order to develop a rigorous

methodological framework adapted to its particular context. On March 1, 2013, the NFB's Board of Trustees approved the updated risk profile. The corporate risk profile is now available on the NFB intranet and website.

The NFB is continuing its efforts to integrate risk management into its activities planning cycle and to regularly monitor the evolution of its priority risks. Information management and departmental security management are part of this approach.

*Financial Management*

The NFB is continuing the implementation of its Policy on Internal Control Action Plan and is monitoring the effectiveness of the internal controls in place.

In 2012–13, it performed a compliance analysis, drafted an action plan and began implementing the Common Enterprise Data Initiative (CEDI) and Common Financial Management Business Process (FM-BP) Initiative.

As part of the cost reduction measures announced in the Deficit Reduction Action Plan, the NFB closed its in-house travel service and migrated to the tools provided by Shared Travel Services Canada (STS).

*Human Resources*

Deployment of the HR Strategic Plan has been underway since fall 2011. The NFB is proud of one of its major achievements of 2012–13: its three collective agreements were renewed in under four months and were modernized in accordance with Treasury Board directives. The skills development strategy also got underway this year with individualized coaching plans for Management Committee members. It will continue in the fall of 2013 with a training workshop on motivational communication for all NFB managers, in conjunction with ownership of the new strategic plan. As a result, the internal communications plan will be deployed in tandem with the strategic plan.

*Follow-up on evaluation recommendations*

In 2012–13, the NFB also invested significantly in another aspect of institutional training: copyright management. In doing so, the Business Affairs and Legal Services Division was following up on a key recommendation contained in the 2012 evaluation of the copyright management procedure: the need to develop in-house knowledge. As a result of its 2012–13 rights-management action plan, a training program was established for producers, production coordinators and marketing and distribution staff. Management designed a tool kit and provided training workshops on the new rights release and copyright procedures for audiovisual productions. In the first year there were 11 presentations in all NFB production studios across the country between November 2012 and May 2013. Training sessions will continue in 2013–14 and will be adapted to interactive production and other NFB sectors, such as the photo library, archive sales department and partnerships team.

*NFB relocation*

The NFB presented a business plan to the government in 2012-13 for relocating its operational headquarters. The project is continuing thanks to the close collaboration of the NFB, Canadian Heritage and Public Works and Government Services.

*Lessons Learned*

The NFB's contribution to reducing the deficit has highlighted the importance of investing in its workforce in order to better manage organizational changes. Focusing on institutional training and skills development are lessons to keep in mind when it comes to human resources planning. In this regard, the NFB intends to equip its managers by strengthening leadership skills such as communication and performance management.

# Section III: Supplementary Information

## Financial Statements Highlights

Financial information provided in this section was prepared using the accrual accounting method and is taken from the NFB's 2012–13 audited financial statements.

| National Film Board<br>Condensed Statement of Operations and Departmental Net Financial Position<br>For the Year Ended March 31<br>($ thousands) | | | | | |
|---|---|---|---|---|---|
| | **2012–13 Planned Results** | **2012–13 Actual** | **2011–12 Actual** | **$ Change (2012–13 Planned vs. Actual)** | **$ Change (2012–13 Actual vs. 2011–12 Actual)** |
| Total expenses | 75,864 | 71,323 | 77,908 | (4,541) | (6,585) |
| Total revenues | 6,348 | 4,291 | 5,938 | (2,057) | (1,647) |
| Net cost of operations before government funding | 69,516 | 67,032 | 71,970 | (2,484) | (4,938) |
| Departmental net financial position | **n/a** | **(774)** | **(1,905)** | **n/a** | **1,131** |

**Expenses**

The 2012–13 budgetary assumption included most of the severance pay disbursements following program abolition. They were finally funded in full in 2011–12, which explains the reduction in expenses in 2012–13 compared to the planned expenses for 2012–13 and actual expenses for 2011–12. The workforce adjustment costs resulting from the Deficit Reduction Action Plan (DRAP) announced in the 2012 federal budget were not known when the 2012–13 budget was prepared and were fully funded in 2011–12.

**Revenues**

In terms of revenue, the television market continued to perform well with the success of such films as *Stories We Tell*, *Pink Ribbons, Inc.*, *The Hole Story*, *Payback* and *The Fruit Hunters*. The 2011–12 actuals included the full recovery of the deferred amount from sales of films to the Canadian Broadcasting Corporation in connection with the 2001 limited partnership agreement with the Documentary Channel. Changes to the Educational and Institutional markets saw a decrease in DVD pricing, causing a drop in the revenues for these markets.

This is an important factor that was not known when the 2012–13 budget was prepared.

### Condensed Statement of Financial Position

| National Film Board<br>Condensed Statement of Financial Position<br>As at March 31<br>($ thousands) | | | |
|---|---|---|---|
| | **2012–13** | **2011–12** | **$ Change** |
| Total net liabilities | 13,405 | 14,842 | (1,437) |
| Total net financial assets | 5,459 | 5,342 | 117 |
| Departmental net debt | 7,946 | 9,500 | (1,554) |
| Total non-financial assets | 7,172 | 7,594 | (422) |
| Departmental net financial position | **(774)** | **(1,905)** | **1,131** |

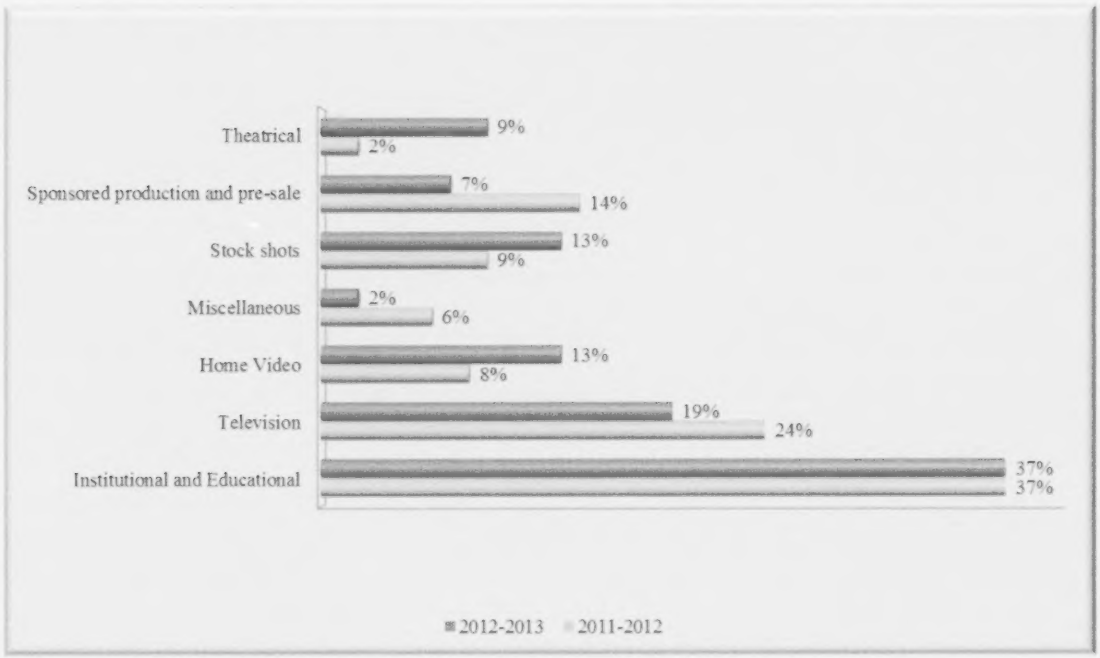
The decrease in the departmental net debt is primarily explained by an accrued liability recorded in 2011–12 and exercised for the most part over 2012–13 to cover the workforce readjustment cost related to the Deficit Reduction Action Plan (DRAP) announced in the 2012 federal budget. Also, following the signing of the collective agreements, the retroactive salary reviews funded in 2011–12 were paid in 2012–13. The decrease in non-financial assets is explained by the fact that the three-year cycle of major acquisitions associated with the new media digital transition ended in 2009-10.

### Expenses by Major Sectors

| **Expenses** | **2012-2013** *($ thousands)* | **2011-2012** | **2012-2013** *%* | **2011-2012** |
|---|---|---|---|---|
| Programming - French & English | 36,421 | 41,112 | 51.1 | 52.7 |
| Distribution | 5,445 | 6,224 | 7.6 | 8.0 |
| Marketing, Accessibility & Outreach | 14,455 | 16,482 | 20.3 | 21.2 |
| Digital development and applications | 5,933 | 4,426 | 8.3 | 5.7 |
| **Sub-total** | **62,254** | **68,244** | **87.3** | **87.6** |
| Internal Services | 9,069 | 9,664 | 12.7 | 12.4 |
| **Total expenses** | **71,323** | **77,908** | **100.0** | **100.0** |

From year to year, the proportion of NFB expenditures by major activity sector has remained steady. In 2011–12, marketing expenses for the promotion of priority projects were substantial and contributed significantly to revenue growth in that year. Efforts in the transition to new media are continuing with the expansion of the features on our online Screening Room and the development of apps. This explains the growth of this sector, which has achieved several consecutive successes with the launch of multi-platform digital apps.

**Total revenues**




Changes to the conditions of use of audiovisual material in schools resulted in a decrease in DVD pricing leading to losses in gross revenues. In addition, the continued decline in hard goods sales had a negative impact on revenues. In response to the ongoing transition to digital distribution, the NFB has already adjusted its approach, developing its CAMPUS online educational offering into a rich, full-featured, bilingual, value-added educational portal.

The decrease in television market sales is due to a one-time payment of $480,000 in fiscal year 2011–12 from the CBC, to recover deferred revenues from NFB films programmed on the Documentary Channel. In 2012–13, there were a number of successful film sales, including *Stories We Tell*, *Pink Ribbons, Inc.*, *The Hole Story*, *Payback*, *The Fruit Hunters*.

The theatrical market has seen outstanding results following major sales of the film *Stories We Tell* in the United States, Europe and Australia. Following the launch of the transactional components of NFB.ca, the home video (consumer) market saw a revenue increase.

In 2011–12, sponsored productions and pre-sales both generated revenues, including from major projects such as *Here At Home*, made in collaboration with the Mental Health Commission of Canada, and Mondoc.ca, made with the AFO (Assemblée de la francophonie Ontarienne).

## Financial Statements

http://www.onf-nfb.gc.ca/medias/download/documents/pdf/nfb-financial-statements-2012-2013.pdf

*Annex to the Statement of Management Responsibility Including Internal Control over Financial Reporting*

www.onf-nfb.gc.ca/medias/download/documents/pdf/onf-fs-annex-2012-2013.pdf

## Supplementary Information Tables

All electronic supplementary information tables listed in the 2012–13 Departmental Performance Report can be found on the National Film Board's website[18].

- Table 1 : Details on Transfer Payment Programs;
- Table 2: Internal Audits and Evaluations;
- Table 3: Sources of Respendable and Non-Respendable Revenue;

## Tax Expenditures and Evaluations Report

http://www.fin.gc.ca/purl/taxexp-eng.asp

The tax system can be used to achieve public policy objectives through the application of special measures such as low tax rates, exemptions, deductions, deferrals and credits. The Department of Finance publishes cost estimates and projections for these measures annually in the *Tax Expenditures and Evaluations* publication. The tax measures presented in the Tax Expenditures and Evaluations publication are the sole responsibility of the Minister of Finance.

[18] http://www.onf-nfb.gc.ca/dpr2012-2013

# Section IV: Other Items of Interest

## Organizational Contact Information

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## Endnotes

i. National Film Board of Canada, *NFB Corporate Risk Profile*, http://onf-nfb.gc.ca/wp-content/uploads/2013/07/NFB-Corporate-Risk-Profile-2012-13.pdf

ii. Department of Public Works and Government Services Canada, *Public Accounts of Canada 2012*, http://www.tpsgc-pwgsc.gc.ca/recgen/txt/72-eng.html

iii. Treasury Board of Canada Secretariat, *Whole-of-government framework*, http://www.tbs-sct.gc.ca/ppg-cpr/frame-cadre-eng.aspx

iv. National Film Board of Canada, *NFB financial statements*, http://www.onf-nfb.gc.ca/medias/download/documents/pdf/nfb-financial-statements-2012-2013.pdf

v. National Film Board of Canada, *Annex to the Statement of Management Responsibility Including Internal Control over Financial Reporting*, www.onf-nfb.gc.ca/medias/download/documents/pdf/onf-fs-annex-2012-2013.pdf

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